

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

RIVERA-CARRASQUILLO, et al  
*Plaintiffs*

v.

BHATIA-GAUTIER, et al  
*Defendants*

MATOS-GARCÍA, et al  
*Plaintiffs*

v.

BHATIA-GAUTIER, et al  
*Defendants*

RODRÍGUEZ-COLÓN, et al  
*Plaintiffs*

v.

BHATIA-GAUTIER, et al  
*Defendants*

NÁTER-ARVELO, et al  
*Plaintiffs*

v.

BHATIA-GAUTIER, et al  
*Defendants*

JIMÉNEZ, et al  
*Plaintiffs*

v.

BHATIA-GAUTIER, et al  
*Defendants*

Civil Nos. 13-1296 (PG)

13-1384 (PG)

13- 1812 (PG)

13-1860 (PG)

13-1896 (PG)



CONFIDENTIAL SETTLEMENT AGREEMENT

TO THE HONORABLE JUAN M. PÉREZ GIMÉNEZ  
UNITED STATES DISTRICT JUDGE

COME NOW, the co-Plaintiffs,<sup>1</sup>(hereinafter the “Plaintiffs”), and Co-Defendants, Eduardo A. Bhatia-Gautier; Denise M. Rivera-González; Tania Barbarrosa-Ortiz; Luis A. Ramos-Rivera; José Hernández-Arbelo; Juan Vázquez-López; and Maritza Alejandro-Chevres (hereinafter the “Defendants”), through their respective attorneys, who very respectfully aver and pray as follows:

1. The Plaintiffs and the Defendants, through their respective counsel, have reached a Settlement Agreement (hereinafter “Agreement”) in the cases of caption, which shall be final, conclusive, absolute, binding and cannot be appealed as of the date of its entry.
2. The Plaintiffs and the Defendants have agreed to settle all matters pending in the instant action, and any state action that is directly or indirectly related to the facts averred in the instant action, in the interest of justice without conceding or admitting liability, negligence or error by either party. The signatories agree to submit the Agreement pursuant to Fed. R. Civ. P. 41(a)(2), which will have the effect of dismissing the instant case with prejudice. In settlement of these actions, the signatories agree to the following terms and conditions:
  - a. All matters pending in the instant action, or in any state action that is directly or indirectly related to the facts averred in the instant action, are to be settled in the total amount of **SIX MILLION TWO HUNDRED AND SIXTY SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$6,267,500.00)** (the “Settlement Amount”), which includes costs and attorneys’ fees as well, to be paid to the Plaintiffs by the Commonwealth of Puerto Rico in full settlement of all claims, damages and requests for relief alleged in the federal complaint Civil Nos. 13-1296 (PG); 13-1384 (PG); 13- 1812 (PG); 13-1860 (PG); and 13-1896 (PG), and any state action(s) related to the allegations made in these cases. Plaintiffs, their successors and/or assignees, hereby release and forever discharge the

---

<sup>1</sup> The plaintiffs in these consolidated cases are listed in Exhibit # 1 attached to this Confidential Settlement Agreement.

Defendants, their successors, agents, officers and any other person, from any and all liabilities, claims, remedies, or cause of action of whatever nature the Plaintiffs may have had and/or may have as result of any and all of the facts and events which are the subject or may have been the subject of the complaints filed in the present cases or for any fact and/or event directly or indirectly related to them.

- b. The above-mentioned Settlement Amount constitutes a compensation for mental anguish, pain and suffering.
- c. For the above-mentioned Settlement Amount, the Plaintiffs, their successors, and/or assignees, release and discharge the Defendants, their agents, and any other persons, from any liability for damages, compensatory or otherwise, and any other monetary or punitive damages, or any other costs and expenses, resulting from any of the facts and events which are the subject or may have been the subject of the complaints of these cases.
- d. The amount to be disbursed to the Plaintiffs shall encompass the full and total settlement of all claims and allegations asserted by the Plaintiffs and of all events directly or indirectly related. This Agreement shall also include the dismissal with prejudice of any state claims the Plaintiffs, their successors and/or assignees have or may have against the Defendants arising from the facts or related to the facts asserted by the Plaintiffs in the instant cases.
- e. The above-mentioned Settlement Amount shall cover all claims, whether raised in the complaints filed in the instant cases and/or in any way related to the facts alleged therein, as well as costs, including attorney's fees. Said Settlement Amount will not accrue any interest if the payment schedule is complied with as described in paragraph 5, *infra*. Failure to strictly adhere to the payment schedule will result in the accrual of interest at a rate of 5% from the date the installment in arrears is due until full satisfaction thereof. In

consideration of this Agreement, the signatories agree that neither side shall be deemed or considered as the "Prevailing Party."

- f. Plaintiffs, their successors, and/or assignees hereby waive their right to prosecute and/or sue in any federal and/or state court, or any other forum of whatever nature, against Defendants, any unidentified defendant, and any other persons, for all and any claims arising out of the complaints and/or in any way related to the facts alleged therein.
3. As part of this Agreement, the Plaintiff, his successors, and/or assignees, hereby expressly release and discharge the Defendants, their successors, agents, attorneys and/or assignees, from any liability regarding any representation of whatever nature with respect to the settlement of the instant cases. This agreement applies to all claims or potential claims of the Plaintiffs resulting from the incidents of these cases which have happened until the signature of this Agreement. Notwithstanding the above, the discharges, releases, and waivers include any damage occurred after the signature of this agreement as a result of the continuous effect of any act or omission occurred on or before the signature of this Agreement that arises out of the facts averred in the complaints and/or in any way related to the facts alleged therein.
4. Defendants are beneficiaries of Act No. 104 of June 29, 1955, as amended by Act No. 9 of November 26, 1977, and the Settlement Amount will be paid by the Commonwealth of Puerto Rico in full settlement of all claims, damages and requests for relief alleged in the federal complaint Civil Nos. 13-1296 (PG); 13-1384 (PG); 13- 1812 (PG); 13-1860 (PG); and 13-1896 (PG), and any other action related directly or indirectly to these cases.
5. The Defendants shall pay the Settlement Amount in the following manner:
  - a. The total Settlement Amount will be divided in three installments. The first installment, in the amount of **ONE MILLION DOLLARS (\$1,000,000.00)** to be paid on or before

June 30, 2016; a second installment in the amount of **TWO MILLION SIX HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED AND FIFTY DOLLARS (\$2,633,750.00)** to be paid on or before October 31, 2016; and a third installment in the amount of **TWO MILLION SIX HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED AND FIFTY DOLLARS (\$2,633,750.00)** to be paid on or before March 31, 2017.

- b. All installments will be deposited with the Clerk of the Court for the United States District Court for the District of Puerto Rico.
  - c. The first installment shall be issued after the entry of Judgment.
  - d. All instalments of the Settlement Amount constitute a compensation for mental anguish, pain and suffering.
  - e. Prior to effectuating payment under this Agreement, the Plaintiffs shall submit to the Defendants, through their counsel, the official certifications regarding debts with the Puerto Rico Treasury Department, the Child Support Administration (ASUME, for its Spanish language acronym), and the Center for Municipal Revenues (CRIM, for its Spanish language acronym) for each of the Plaintiffs as required by law.
  - f. It is noted that the Puerto Rico Department of Treasury may retain a portion of the settlement amount in compliance with local tax law.
6. This Agreement shall not constitute evidence in any proceeding, admission or adjudication with respect to any fact or conclusion of law in connection with any matter alleged in, or arising out of, the complaints, nor shall constitute an admission of any wrongdoing, misconduct or liability on the part of the Defendants. This Agreement is also made taking into consideration Rule 408 of the Federal Rules of Evidence.

7. The Plaintiffs further agree to maintain confidential the fact that they have entered into this Agreement, as well as all of its details, terms, and conditions.
8. Unless disclosure is required by law and/or means of a Court Order issued to such effect, the Plaintiffs shall not disclose the contents of this Agreement to third parties, except as it may be reasonably necessary to reveal the terms hereof to their attorney(s), spouse, accountant(s), or representatives, who shall be bound to maintain the confidentiality of this Agreement in the same terms as them.
9. In the event that anyone approaches the Plaintiffs and asks them about the status of their claim, their answer shall be limited to discussing that the matter has been resolved to the satisfaction of the Parties, but they shall refrain from further comment.
10. Under no circumstances shall this document or any copy thereof be distributed to the Press or Media or any person or entity without Defendants' written authorization.
11. The signatories agree not to publish, publicize, or disseminate in any way information obtained by their attorneys through the discovery process of this case.
12. The signatories understand that the Settlement Agreement will be disclosed to the United States District Court for the District of Puerto Rico for its approval. In furtherance of the confidentiality provisions herein, this Agreement is being filed under seal before this Court.
13. Notwithstanding the foregoing, this document or copies thereof may be provided, upon written request, to the Commonwealth of Puerto Rico Comptroller's Office, the Secretary of the Treasury Department, the Secretary of the Department of Justice, or any government instrumentality, who will in turn agree to keep its content confidential as set forth above.

14. This Agreement shall be considered adjudication on the merits and has the immediate effect of *res judicata* as to all the parties for these claims and any other claims in any other forum that may arise from the events alleged in the complaints.
15. The signatories expressly agree that this Court shall retain jurisdiction over all matters relating to this Agreement and the disbursement of all monies pursuant thereto, including for the enforcement of the same, until final payment is made to the Plaintiffs.
16. The Plaintiffs acknowledge that their legal counsel has read this Agreement that is written in the English language and has explained its contents to them in the Spanish language, and that the Plaintiffs have agreed to the terms and conditions contained therein.
17. The undersigned attorneys represent the parties entering into this agreement and have been authorized to sign the same in representation of their respective clients.
18. This agreement shall irrevocably bind the signatories, their successors and/or assignees.
19. This agreement constitutes and contains the entire agreement and understanding between the signatories.
20. Should any court or government agency declare any clause, provision or paragraph hereof null, void or illegal for any motive or reason, this will not affect the validity and legality of the remaining clauses, provisions or paragraphs.
21. The signatories respectfully request that this Court approve this settlement agreement and that it enter judgment accordingly incorporating its terms, so as to constitute a final, conclusive, and binding agreement that cannot be appealed as of the date of its entry.

**WHEREFORE** the signatories very respectfully request from this Court to **ENTER** Judgment incorporating and approving this Agreement and **DISMISSING WITH PREJUDICE** all of Plaintiffs' claims arising out of the complaints filed in the captioned cases.

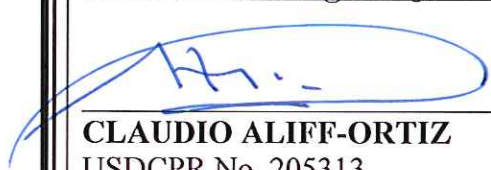


Respectfully Submitted, In San Juan, Puerto Rico, on the 25<sup>th</sup> day of May, 2016.

*Attorneys for Plaintiffs*

**ALDARONDO & LOPEZ-BRAS, P.S.C.**  
ALB Plaza, Suite 400  
16 Las Cumbres Ave. (Road 199)  
Guaynabo, P.R. 00969  
Tel (787) 474-5447  
Fax (787) 474-5451

  
**ELIEZER ALDARONDO-ORTIZ**  
USDCPR No. 125402  
Email: [ealdarondo@alblegal.net](mailto:ealdarondo@alblegal.net)

  
**CLAUDIO ALIFF-ORTIZ**  
USDCPR No. 205313  
Email: [califf@alblegal.net](mailto:califf@alblegal.net)

  
**SHEILA TORRES-DELGADO**  
USDCPR No. 222706  
Email: [storres@alblegal.net](mailto:storres@alblegal.net)

  
**ELIEZER A. ALDARONDO-LÓPEZ**  
USDCPR No. 225906  
Email: [eliezer.aldarondo@alblegal.net](mailto:eliezer.aldarondo@alblegal.net)

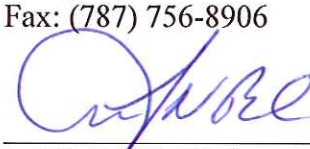
*Attorney for Defendant Bhatia-Gautier*

**NIETO LAW OFFICES**  
District View Plaza Suite 301  
644 Fernández Juncos Avenue  
San Juan, PR 00907-3122  
Tel. (787) 520-6064  
Fax (787) 919-7319 / Cel. (787) 667-2968

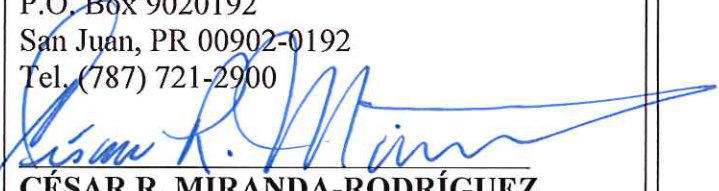
  
**JOSE L. NIETO-MINGO**  
USDCPR No. 205412  
Email: [jose\\_l\\_nieto2000@yahoo.com](mailto:jose_l_nieto2000@yahoo.com)

*Attorney for the other Defendants*

**LUIS N. BLANCO-MATOS**  
894 Muñoz Rivera Ave. Suite 210  
San Juan, Puerto Rico 00927  
Tel: (781) 753-7040  
Fax: (787) 756-8906

  
**LUIS N. BLANCO-MATOS**  
USDCPR No. 121612  
Email: [lbiancolex@gmail.com](mailto:lbiancolex@gmail.com)

*Attorney for the Government of Puerto Rico*

**CÉSAR R. MIRANDA-RODRÍGUEZ**  
Secretary  
Department of Justice  
P.O. Box 9020192  
San Juan, PR 00902-0192  
Tel. (787) 721-2900  
  
**CÉSAR R. MIRANDA-RODRÍGUEZ**